

EXHIBIT 7

UNITED STATES of AMERICA
VS
METHODIST LE BONHEUR HEALTHCARE, et al.

GARY SHORB

August 12, 2022



Terri Beckham, RPR, RMR, CRR

Chattanooga (423)266-2332 Jackson (731)425-1222
Knoxville (865)329-9919 Nashville (615)595-0073 Memphis (901)522-4477

www.elitereportingservices.com

1 BY MR. MARTIN:

2 Q. Do you want to do the math?

3 **A. We did a fair -- no, I trust your math. We**
4 **did a fair --**

5 MR. ROARK: I don't know -- I don't know
6 about that.

7 **THE WITNESS: Okay. Then maybe I don't**
8 **trust your math.**

9 BY MR. MARTIN:

10 Q. Well, let me make sure -- let me ask a
11 different way.

12 **A. Yeah.**

13 Q. If you paid \$3-and-a-half million for a
14 28 percent share in a company, does it sound right
15 to you that that would mean the company was valued
16 at \$12-and-a-half million?

17 **A. Again, I'd have to do the math, but --**

18 Q. Okay. But it doesn't sound wrong to you,
19 right? I mean, can we just agree -- can we all
20 agree --

21 **A. Let's agree it's in the ballpark.**

22 Q. All right. We'll agree it's in the ballpark.
23 Fair enough. That's as good as we're going to get.

24 All right. I'd like to know a little bit
25 more, Mr. Shorb, just exactly what it was that

1 Q. What did you base the decision on to invest
2 in, you know, 3-and-a-half million in loan and
3 3-and-a-half million in equity into -- where do
4 those numbers come from?

5 **A. Fair market valuation of the company. And,**
6 **again, you'd have to ask Chris specifics on how we**
7 **decided on 3-and-a-half million loan versus**
8 **3-and-a-half million equity.**

9 Q. Did you explain -- did you have to get board
10 approval to make this \$7 million dollar investment?

11 **A. We did.**

12 Q. Okay.

13 **A. It was part of the board presentation.**

14 Q. Yeah. So, if you're -- and you're designated
15 as a company representative to talk about getting
16 that approval from the board, which would include,
17 you know, how the company was valued, right?

18 **A. Correct.**

19 Q. Okay. So as you sit here, do you know -- if
20 the company was valued at \$12-and-a-half million,
21 based on your \$3-and-a-half million equity buy at
22 28 percent, what do you know about where that
23 \$12-and-a-half million number came from?

24 **A. We had a fair market value opinion.**

25 Q. Uh-huh.

1 ACORN/Vector was going to do.

2 **A. We wanted to continue to do the clinical**
3 **research that was ongoing, and I think at the time**
4 **of purchase there were, like, 20 different clinical**
5 **research initiatives. We wanted to continue to**
6 **expand that, and physicians were interested in**
7 **continuing to expand it.**

8 **And we wanted to get to phase 1 clinical**
9 **trials. And eventually we did, thanks to the fact**
10 **that we had made that investment.**

11 Q. What's the difference -- when you say
12 "clinical research," what's the difference -- when I
13 hear that in this context I naturally assume it's
14 drug trials.

15 **A. It is.**

16 Q. But it sounds like maybe it's something prior
17 to -- there's something that happens before you get
18 to do drug trials?

19 **A. No, in this case it is drug trials, and it's**
20 **just various levels of drug trials. Don't ask me to**
21 **explain it.**

22 Q. Okay.

23 **A. I couldn't tell you with any confidence --**

24 Q. All right.

25 **A. -- but I could tell you generally on it.**

1 **A. I couldn't tell you who did it, but it was**
2 **north of \$10 million.**

3 Q. Okay. And so what was the decision process
4 on the exact, you know, decision that you would
5 invest 3-and-a-half million for 28 percent? Like,
6 where -- you know, if it's -- if it's north of
7 10 million, let's say it's a range, how did you
8 settle upon 12-and-a-half million?

9 MR. ROARK: Objection. Object to the
10 form.

11 **THE WITNESS: That was Chris's decision.**
12 **And, again, the board approved the 7 million and**
13 **left it up to management as to how we would**
14 **specifically invest in the company.**

15 BY MR. MARTIN:

16 Q. So the board approved -- well, what exac- --
17 okay, I don't understand that. What exactly did the
18 board approve?

19 **A. As part of the trans- -- the total**
20 **transaction, the board approved a \$7 million**
21 **investment in ACORN/Vector.**

22 Q. But only -- 3-and-a-half of that was just a
23 loan?

24 **A. 3-and-a-half was a loan.**

25 Q. 3-and-a-half was equity buy?

1 of next week or the following week.
 2 MS. SWEET: I want a copy of the
 3 transcripts. I don't need it expedited.
 4 MR. ROARK: They'll both read and sign
 5 as well.

6 FURTHER DEPONENT SAITH NOT
 7 (Proceedings concluded at 4:18 p.m.)
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

E R R A T A

1
 2 I, GARY SHORB, having read the foregoing
 deposition, pages 1 through 254, taken August 12,
 3 2022, do hereby certify said testimony is a true
 and accurate transcript, with the following
 4 corrections, if any:

5 PAGE	LINE	SHOULD HAVE BEEN
6	_____	_____
7	_____	_____
8	_____	_____
9	_____	_____
10	_____	_____
11	_____	_____
12	_____	_____
13	_____	_____
14	_____	_____
15	_____	_____
16	_____	_____
17	_____	_____
18	_____	_____
19	_____	_____
20	_____	_____
21	_____	_____
22	_____	_____
23	_____	_____
24	_____	_____
25	_____	_____

GARY SHORB

Notary Public

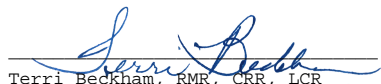
My commission expires:

REPORTER'S CERTIFICATE

1
 2
 3 STATE OF TENNESSEE
 4 COUNTY OF Davidson
 5

6 I, Terri Beckham, RMR, CRR, and licensed
 7 Court Reporter, with offices in Nashville,
 8 Tennessee, hereby certify that I reported the
 9 foregoing deposition of GARY SHORB by machine
 10 shorthand to the best of my skills and abilities,
 11 and thereafter the same was reduced to typewritten
 12 form by me. I am not related to any of the parties
 13 named herein, nor their counsel, and have no
 14 interest, financial or otherwise, in the outcome of
 15 the proceedings.

16 I further certify that in order for this
 document to be considered a true and correct copy,
 17 it must bear my original signature, and that any
 unauthorized reproduction in whole or in part,
 18 and/or transfer of this document is not authorized,
 will not be considered authentic, and will be in
 19 violation of Tennessee Code Annotated 39-14-104,
 Theft of Services.

20
 21
 22 

23 Terri Beckham, RMR, CRR, LCR
 Elite-Brentwood Reporting Services
 24 Notary Public State of Tennessee
 My Notary Public Commission Expires 3/6/2026
 LCR 355 - Expires: 6/30/2024
 25